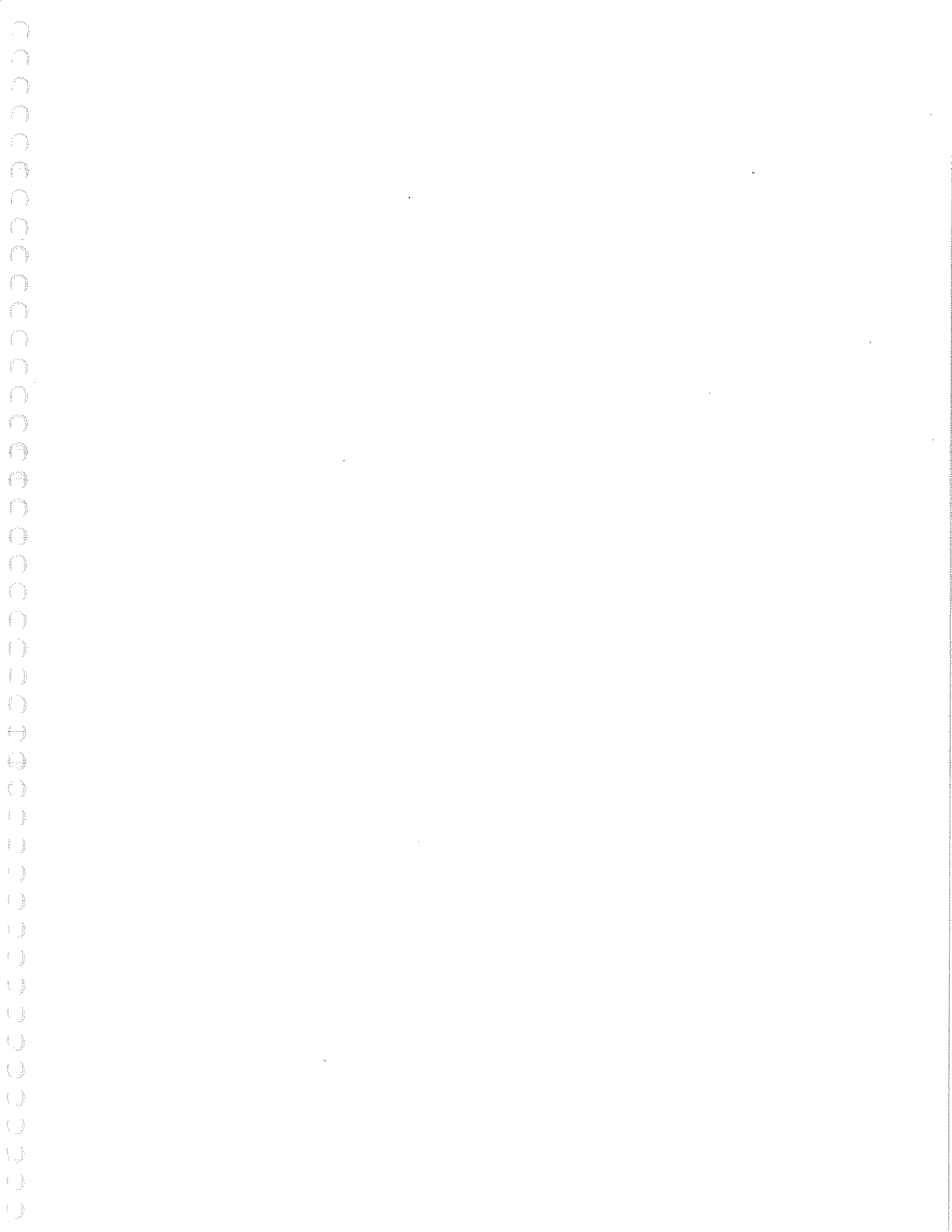


**CHESTERFIELD COUNTY, SOUTH CAROLINA**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2019**







**CHESTERFIELD COUNTY, SOUTH CAROLINA  
 BASIC FINANCIAL STATEMENTS  
 AND SUPPLEMENTARY INFORMATION  
 JUNE 30, 2019**

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To Chesterfield County Council  
Chesterfield, South Carolina

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chesterfield County, South Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Chesterfield County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chesterfield County, South Carolina, as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - General Fund, Schedules of the County's Proportionate Share of the Net Pension Liability, Schedules of the County's Contributions, and Schedule of Changes in the County's Total OPEB Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*McAfee, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
November 18, 2019



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chesterfield County, South Carolina ("the County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Chesterfield County, South Carolina for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the County's financial statements.

### FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Chesterfield County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources as of June 30, 2019 by \$6,810,484 (net position). This is primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to the notes to the financial statements.
- Governmental activities have a negative unrestricted net position balance of \$30,353,243. This is primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to the notes to the financial statements.
- The County's net position increased by \$1,908,273 during the fiscal year, primarily due to the County's large purchases made during the year being capitalized – vehicles, equipment and construction for the new Judicial Center.
- At the close of this fiscal year, the County's combined governmental funds reported ending fund balances of \$15,114,075, an increase of \$1,911,501 from the prior year. This is primarily due to an increase in millage rates for operations and debt service, coupled with a reduction in spending, as construction for the new Judicial Center is now in the final phase.
- At June 30, 2019, unassigned fund balance for the General Fund was \$1,328,457, an increase of \$111,138 from the prior year. This is primarily due to an increase in property tax revenues, due to an increase in millage for operations.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the County's basic financial statements as they are presented. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements consist of a statement of net position and a statement of activities, which report information about the overall financial position and activities of the County government as a whole.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between all four reported as net position. One can think of the County's net position as a measure of financial health. Over time, increases or decreases in the County's net position is one indicator of whether financial health is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The focus of the statement of activities is on the net cost of activities provided by the County.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, economic development, judicial administration, culture and recreation, rescue and fire protections, legislative oversight and other.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Chesterfield County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

*Governmental Funds* - Governmental funds are used to account for the County's general government activities. Unlike the government-wide financial statements, governmental fund financial statements are reported using current financial resources. Revenues are recognized to the degree that they are available to finance expenditures of the fiscal period being reported.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information provided for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are accompanied by a reconciliation that facilitates this comparison.

The County maintains twenty-two individual governmental funds. The General Fund, which is considered to be a major fund, accounts for all financial resources except those required to be accounted for in another fund. The Capital Reserve Fund, a capital project fund, which sets aside a portion of property tax collections for future use of capital asset purchases, is also considered to be a major fund. The Capital Projects Fund - Public Facilities Corporation accounts for the debt issuance and expenditures related to the renovations of the current courthouse, and is also considered to be a major fund. The County's remaining funds are presented as non-major funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information.

*Fiduciary Funds* – Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of the fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements.

### **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents a combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for the non-major governmental funds, a combining balance sheet for the agency funds, and several other schedules.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the statement of net position presents the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources and over time may serve as an indicator of its financial position. In the case of Chesterfield County, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$6,810,484 at the close of the most recent fiscal year.

The following table presents a summary of the statement of net position as of June 30, 2019:

**Table 1  
Chesterfield County's Net Position**

	Governmental Activities		Total Percent Change
	2019	2018	2019-2018
Current and Other Assets	\$ 16,641,626	\$ 14,966,917	11.2%
Capital Assets	22,319,440	21,212,139	5.2%
<b>Total Assets</b>	<b>38,961,066</b>	<b>36,179,056</b>	<b>7.7%</b>
<b>Total Deferred Outflows of Resources</b>	<b>3,376,132</b>	<b>4,322,270</b>	<b>-21.9%</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 42,337,198</b>	<b>\$ 40,501,326</b>	<b>4.5%</b>
Current Liabilities	\$ 3,108,939	\$ 3,227,101	-3.7%
Non-Current Liabilities	42,777,061	44,442,522	-3.7%
<b>Total Liabilities</b>	<b>45,886,000</b>	<b>47,669,623</b>	<b>-3.7%</b>
<b>Total Deferred Inflows of Resources</b>	<b>3,261,682</b>	<b>1,550,460</b>	<b>110.4%</b>
Net Position			
Net Investment in Capital Assets	9,843,570	9,802,444	0.4%
Restricted	13,699,189	11,913,011	15.0%
Unrestricted	(30,353,243)	(30,434,212)	0.3%
<b>Total Net Position</b>	<b>(6,810,484)</b>	<b>(8,718,757)</b>	<b>21.9%</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 42,337,198</b>	<b>\$ 40,501,326</b>	<b>4.5%</b>

The County's current and other assets at year-end increased \$1,674,709 or 11.2% primarily due to an increase in cash and cash equivalents and an increase in receivables due at year end.

Capital assets, net of depreciation increased \$1,107,301 or 5.2%. The increase was primarily due to the construction/renovations for the new Judicial Center.

The County's long-term liabilities are comprised mainly of three components: general obligation bonds, installment purchase revenue (IPR) bonds and capital leases. Also included in long-term liabilities are the County's proportionate share of the Net OPEB Liability and the County's Total OPEB Liability. Long-term liabilities decreased \$1,665,461 or 3.7% from prior year, primarily due to a decrease in the net pension liability and total OPEB liability. More detailed information on the capital assets and long-term debt activity are provided in the notes to the financial statements.

The following table summarizes the change in net position of the County for the year ended June 30, 2019:

**Table 2**  
**Changes in Chesterfield County's Net Position**

	Governmental Activities		Total Percent Change
	2019	2018	2019-2018
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 5,485,787	\$ 5,672,165	-3.3%
Operating grants and contributions	3,056,326	3,930,416	-22.2%
Capital grants and contributions	220,000	715,000	-69.2%
General Revenues:			
Property taxes	12,648,759	11,529,275	9.7%
Other taxes	5,589,757	5,553,590	0.7%
Grants	1,799,116	1,781,800	1.0%
Gain/(Loss) on sale of capital assets	(80,362)	53,825	249.3%
Other	641,938	414,287	55.0%
<b>Total Revenues</b>	<b>29,361,321</b>	<b>29,650,358</b>	<b>-1.0%</b>
<b>Expenses:</b>			
General government	4,168,382	4,859,333	-14.2%
Public safety	9,560,909	9,132,973	4.7%
Public works	4,270,805	3,132,560	36.3%
Economic development	333,462	2,397,382	-86.1%
Judicial administration	2,563,297	2,315,175	10.7%
Culture and recreation	692,053	662,477	4.5%
Rescue and fire protection	1,597,022	1,504,074	6.2%
Non-departmental/other agencies	3,498,968	4,715,294	-25.8%
Legislative oversight	395,073	285,226	38.5%
Interest and other charges	373,077	358,610	4.0%
<b>Total Expenses</b>	<b>27,453,048</b>	<b>29,363,104</b>	<b>-6.5%</b>
<b>Change in net position</b>	<b>1,908,273</b>	<b>287,254</b>	<b>-564.3%</b>
<b>Beginning net position</b>	<b>(8,718,757)</b>	<b>(9,006,011)</b>	<b>3.2%</b>
<b>Ending net position</b>	<b>\$ (6,810,484)</b>	<b>\$ (8,718,757)</b>	<b>-21.9%</b>

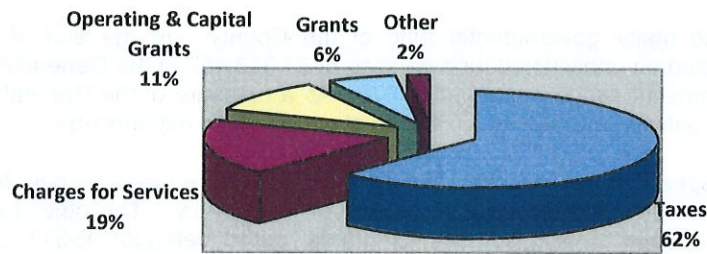
### Governmental Activities

Governmental activities increased the County's net position by \$1,908,273 during the current fiscal year. This is primarily due to a reduction in expenditures from prior year, because the County's large purchases made during the year were capitalized – vehicles, equipment and construction for the new Judicial Center.

The costs for all governmental activities were \$27,453,048 for the fiscal year. Providing activities for public safety was the largest expense (\$9,560,909) to the County. The total cost to the County for providing general government administration was (\$4,168,382), which includes various administrative functions such as county administrator, assessor, auditor, and treasurer.

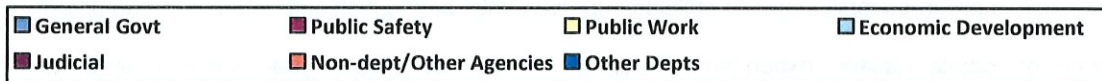
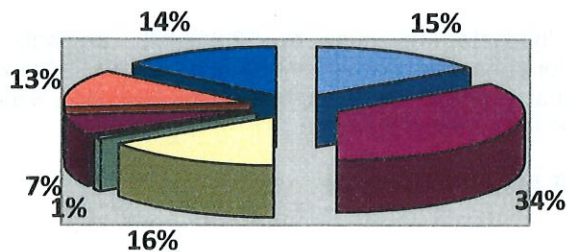
Total revenues decreased by \$289,037, which is comparable to prior year.

### Revenues by Source: Governmental Activities



Total expenses decreased by \$1,910,056 or 6.5%, primarily due to the County's large purchases made during the year being capitalized on the government-wide financial statements.

### Expenses by Category: Governmental Activities



## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year.

The General Fund is the major governmental fund of the County. At the end of the fiscal year, Chesterfield County reported an unassigned fund balance of \$1,328,457 in the General Fund. Total fund balance for all the governmental funds was \$15,114,075. As a measure of the General Fund's liquidity, the total unassigned fund balance represents 6.0% of total general fund expenditures.

The County has sixteen special revenue funds. Eleven special revenue funds account for fire protection and rescue squad services provided to various sections of the County. The other funds account for revenues provided from various funding sources for grants, public defender, E-911, and the sheriff's department drug law enforcement activities.

During the year, the County also operated four capital project funds. Two of these funds, the Capital Reserve Fund and the Capital Equipment Fund, were determined to be major funds.

The County also maintains a Debt Service Fund that accounts for the property taxes levied and collected to pay principal and interest on the outstanding general obligation bonds.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

A budgetary comparison schedule for the General Fund is provided in the Required Supplementary Information. The schedule shows the original adopted budget, the final budget, the actual results on GAAP basis, and the variance between budget and actual. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues. The General Fund budget was not revised during the current fiscal year.

Actual revenues exceeded budgeted revenues by \$2,817,872, primarily due to an increase in intergovernmental revenues for state road paving projects and FEMA reimbursements for repairs related to Hurricane Florence. Actual expenditures were more than budgeted expenditures by \$1,428,201, primarily due to repairs related to Hurricane Florence.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

Chesterfield County's investment in capital assets for its governmental activities as of June 30, 2019, totaled \$22,319,440, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings and building improvements, and vehicles, furniture and equipment.

Majority of capital asset expenditures during the current fiscal year were related to the construction/renovations for the new Judicial Center and the purchase of various vehicles and equipment.

Net capital assets at June 30, 2019 and 2018 included:

	Governmental Activities		Total Percent
	2019	2018	Change 2019-2018
Land	\$ 1,628,148	\$ 1,628,148	0.0%
Construction in Progress	4,611,844	3,593,389	28.3%
Buildings and Improvements	11,915,598	11,846,849	0.6%
Vehicles/Machinery/Equipment	4,163,850	4,143,753	0.5%
	<u>\$ 22,319,440</u>	<u>\$ 21,212,139</u>	<u>5.2%</u>

Additional information on the County's capital assets can be found in Note 4.

#### Long-Term Debt

The legal limit on the amount of general obligation bond indebtedness that a County can incur is 8% of their assessed value. At the end of the current fiscal year, the County had total long-term debt outstanding of \$13,427,570. General obligation bonds constitute 38.4% of long-term debt and are backed by the full faith and credit of the County. The next largest long-term debt for the County is comprised of two installment purchase revenue bonds (45.5%). The remaining long-term debt for the County is seven capital leases (16.1%).

	Governmental Activities		Total Percent
	2019	2018	Change 2019-2018
General obligation bonds	\$ 5,157,560	\$ 5,681,404	-9.2%
Installment purchase revenue bonds	6,116,000	6,540,000	-6.5%
Capital leases	2,154,010	1,703,412	26.5%
	<u>\$ 13,427,570</u>	<u>\$ 13,924,816</u>	<u>-3.6%</u>

During fiscal year 2016, the County entered into an Installment Purchase and Use Agreement with the SCAGO Public Facilities Corporation for Chesterfield County (the Corporation). This 501(c)3 is a blended component unit of the County due to the specific charitable purpose of the Corporation to serve as a "support organization" for the capital projects of the County. Because of this, the installment purchase revenue bonds issued by the Corporation is blended with that of the County.

The County's long-term debt from bonds and capital leases decreased \$497,246 from the prior fiscal year. During fiscal year 2019, the County entered into two new lease agreements, and paid two off during the year. No new bonds were issued during the fiscal year.

Other long-term obligations of the County include accrued compensated absences of \$522,639 and landfill closure and post closure costs of \$1,157,075.

Additional information on the County's long-term debt can be found in Note 6.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation.

- As of September 2019, the unemployment rate for Chesterfield County was 1.8%. Statewide unemployment was at 2.9%, while the nationwide average was 3.5%.
- In 2006, the South Carolina General Assembly enacted property tax reform legislation. The legislation imposed limitations on the millage rate increase and on increased in assessed valuations due to reassessment at 15%. For the tax year 2019, the County did not reassess property valuations and added an additional 2 mills for county operations.

County Council adopted a budget for fiscal year 2020, where budgeted expenditures are projected to be \$20,066,229, an increase of approximately \$808,500 or 4% over the fiscal year 2019 budgeted expenditures, as to approximately reflect fiscal year 2019 actual expenditures. The County has added no major new programs or initiatives to the fiscal year 2020 budget.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Chesterfield County, South Carolina's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Administrator, Chesterfield County, 178 Mill Street, Chesterfield, SC 29709.



## EXHIBIT A

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 11,190,106
Investments	2,011,874
Taxes receivable - net	760,729
Other receivables	1,502,591
Due from other governments	1,176,326
Capital assets - net of accumulated depreciation	22,319,440
	<b>38,961,066</b>
<b>Deferred Outflows of Resources</b>	
Deferred amounts related to pensions	280,174
Deferred amounts related to OPEB	3,095,958
	<b>3,376,132</b>
<b>Liabilities</b>	
Accounts payable and accrued expenses	1,139,386
Accrued interest payable	174,231
Non-current liabilities:	
Due within one year:	
General obligation bonds	536,351
Installment purchase revenue bonds	436,000
Capital leases	747,971
Landfill post-closure costs	75,000
Due in more than one year:	
General obligation bonds	4,621,209
Installment purchase revenue bonds	5,680,000
Capital leases	1,406,039
Compensated absences	522,639
Landfill post-closure costs	1,082,075
Net pension liability	17,866,382
Total OPEB liability	11,598,717
	<b>45,886,000</b>
<b>Deferred Inflows of Resources</b>	
Unearned revenue	60,778
Deferred amounts related to pensions	2,769,034
Deferred amounts related to OPEB	431,870
	<b>3,261,682</b>
<b>Net Position</b>	
Net investment in capital assets	9,843,570
Restricted for:	
Public safety	877,602
Public works	386,189
Economic development	718,937
Capital projects	11,270,432
Debt service	446,029
Unrestricted	(30,353,243)
	<b>\$ (6,810,484)</b>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
General government	\$ 4,168,382	\$ 294,873	\$ 468,528	\$ -	\$ (3,404,981)
Public safety	9,560,909	1,881,733	340,809	-	(7,338,367)
Public works	4,270,805	2,101,106	1,691,193	-	(478,506)
Economic development	333,462	-	145,776	220,000	32,314
Judicial administration	2,563,297	450,674	285,093	-	(1,827,530)
Culture and recreation	692,053	73,931	124,927	-	(493,195)
Rescue and fire protection	1,597,022	683,470	-	-	(913,552)
Non-departmental/other agencies	3,498,968	-	-	-	(3,498,968)
Legislative oversight	395,073	-	-	-	(395,073)
Interest and other charges	373,077	-	-	-	(373,077)
	<u>27,453,048</u>	<u>5,485,787</u>	<u>3,056,326</u>	<u>220,000</u>	<u>(18,690,935)</u>

**General revenues:**

## Taxes:

Property taxes, levied for general purposes	\$ 10,252,661
Property taxes, levied for rural fire service	871,728
Property taxes, levied for debt service	1,524,370
Fees in lieu of taxes	2,705,706
Local option sales tax	2,884,051
Grants and contributions not restricted to specific programs	1,799,116
Unrestricted investment earnings	99,465
Gain on sale of capital assets	(80,362)
Miscellaneous	542,473
Total general revenues	<u>20,599,208</u>

Change in Net Position	1,908,273
Net Position - Beginning of Year	<u>(8,718,757)</u>
Net Position - End of Year	<u>\$ (6,810,484)</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets and Deferred Outflows of Resources</b>					
<b>Assets:</b>					
Cash and cash equivalents	\$ 9,464,357	\$ -	\$ -	\$ 1,725,749	\$ 11,190,106
Investments	2,011,874	-	-	-	2,011,874
Taxes receivable - net	458,371	158,969	48,530	94,859	760,729
Due from other funds	59,667	9,391,937	824,143	1,077,308	11,353,055
Due from other governments	1,176,326	-	-	-	1,176,326
Other receivables	1,502,440	-	-	151	1,502,591
	<u>\$ 14,673,035</u>	<u>\$ 9,550,906</u>	<u>\$ 872,673</u>	<u>\$ 2,898,067</u>	<u>\$ 27,994,681</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 611,550	\$ -	\$ 715	\$ 28,257	\$ 640,522
Accrued payroll	498,864	-	-	-	498,864
Due to other funds	11,293,388	-	-	59,667	11,353,055
	<u>12,403,802</u>	<u>-</u>	<u>715</u>	<u>87,924</u>	<u>12,492,441</u>
<b>Deferred Inflows of Resources:</b>					
Unearned revenue	263,691	62,419	18,898	43,157	388,165
	<u>263,691</u>	<u>62,419</u>	<u>18,898</u>	<u>43,157</u>	<u>388,165</u>
<b>Fund Balances:</b>					
<b>Restricted</b>					
Public safety	33,585	-	-	844,017	877,602
Public works	386,189	-	-	-	386,189
Economic development	165,100	-	-	553,837	718,937
Capital projects	-	9,488,487	853,060	928,885	11,270,432
Debt service	-	-	-	446,029	446,029
<b>Assigned</b>					
Public safety	45,581	-	-	-	45,581
Culture and recreation	46,630	-	-	-	46,630
Unassigned	1,328,457	-	-	(5,782)	1,322,675
	<u>2,005,542</u>	<u>9,488,487</u>	<u>853,060</u>	<u>2,766,986</u>	<u>15,114,075</u>
	<u>\$ 14,673,035</u>	<u>\$ 9,550,906</u>	<u>\$ 872,673</u>	<u>\$ 2,898,067</u>	<u>\$ 27,994,681</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019**

Fund Balance - Total Governmental Funds \$ 15,114,075

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 22,319,440

Uncollected delinquent tax revenue is not available in the current period and, therefore, are deferred in the funds. 327,387

Deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:

Pension related deferred outflows	280,174
OPEB related deferred outflows	3,095,958
Pension related deferred inflows	(2,769,034)
OPEB related deferred inflows	(431,870)

Non-current liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds:

Accrued interest payable	(174,231)
General obligation bonds	(5,157,560)
Installment purchase revenue bonds	(6,116,000)
Capital leases	(2,154,010)
Compensated absences	(522,639)
Landfill post-closure costs	(1,157,075)
Net pension liability	(17,866,382)
Total OPEB liability	<u>(11,598,717)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ (6,810,484)

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 9,167,714	\$ 3,026,661	\$ 930,951	\$ 2,290,965	\$ 15,416,291
Local option sales tax	2,884,051	-	-	-	2,884,051
Fees and fines	318,852	-	-	3,245	322,097
Licenses and permits	1,844,864	-	-	-	1,844,864
Intergovernmental	4,867,908	-	-	943,250	5,811,158
Charges for services	1,439,047	-	-	371,763	1,810,810
Investment earnings	93,479	-	-	5,986	99,465
Miscellaneous	310,191	-	-	148,764	458,955
Fire department dues	683,470	-	-	-	683,470
Grants	185,573	-	-	-	185,573
Contributions	12,029	-	-	57,973	70,002
	<u>21,807,178</u>	<u>3,026,661</u>	<u>930,951</u>	<u>3,821,946</u>	<u>29,586,736</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	3,445,870	-	-	26,431	3,472,301
Public safety	8,461,762	-	-	506,725	8,968,487
Public works	2,869,183	-	1,426,503	-	4,295,686
Economic development	740,450	-	-	-	740,450
Judicial administration	1,233,441	-	-	1,316,116	2,549,557
Culture and recreation	686,503	-	-	-	686,503
Rescue and fire protection	784,443	-	-	778,365	1,562,808
Grant programs	3,498,968	-	-	-	3,498,968
Legislative oversight	336,708	-	-	1,076,819	1,413,527
<b>Debt Service:</b>					
Principal	-	-	729,402	947,844	1,677,246
Interest and other charges	-	-	44,611	321,516	366,127
	<u>22,057,328</u>	<u>-</u>	<u>2,200,516</u>	<u>4,973,816</u>	<u>29,231,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(250,150)</u>	<u>3,026,661</u>	<u>(1,269,565)</u>	<u>(1,151,870)</u>	<u>355,076</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from capital leases	-	-	1,180,000	-	1,180,000
Proceeds from sale of capital assets	2,107	-	374,318	-	376,425
Transfers in	405,133	-	-	45,000	450,133
Transfers out	<u>(45,000)</u>	<u>(395,835)</u>	<u>-</u>	<u>(9,298)</u>	<u>(450,133)</u>
	<u>362,240</u>	<u>(395,835)</u>	<u>1,554,318</u>	<u>35,702</u>	<u>1,556,425</u>
Net Change in Fund Balances	112,090	2,630,826	284,753	(1,116,168)	1,911,501
Fund Balances - Beginning of Year	<u>1,893,452</u>	<u>6,857,661</u>	<u>568,307</u>	<u>3,883,154</u>	<u>13,202,574</u>
Fund Balances - End of Year	<u>\$ 2,005,542</u>	<u>\$ 9,488,487</u>	<u>\$ 853,060</u>	<u>\$ 2,766,986</u>	<u>\$ 15,114,075</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Total Governmental Funds: \$ 1,911,501

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$3,004,356 exceeded depreciation expense of \$1,440,267. 1,564,089

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from the sale of assets and the gain or loss on the sale. (456,787)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes (61,826)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases non-current liabilities in the Statement of Net Position. (1,180,000)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces non-current liabilities in the Statement of Net Position. 1,677,246

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, interest is recognized as an expenditure when due. (6,950)

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures. (903,367)

The cost of OPEB benefits earned net of employee contributions is reported in the Statement of Activities as an element of OPEB expense. The fund financial statements report OPEB contributions as expenditures. (92,404)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Landfill post-closure costs (582,950)  
Compensated absences 39,721

Change in Net Position of Governmental Activities \$ 1,908,273

The accompanying notes are an integral part of these statements.

EXHIBIT E

CHESTERFIELD COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,520,364
Investments	12,737,627
	<u>\$ 27,257,991</u>
<b>Liabilities</b>	
Due to other governments	\$ 25,148,928
Due to taxpayers	443,724
Due to other claimants	1,665,339
	<u>\$ 27,257,991</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

Chesterfield County, South Carolina (the County), is a political subdivision of the State of South Carolina. The County operates under the "Council-Administrator" form of government and is governed by an elected nine-member council. The council employs an administrator who is responsible for the day-to-day management of the County's operations.

The County has one blended component unit, the Chesterfield County Public Facilities Corporation (PFC), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for the capital projects of the County. The Corporation's board members are selected as follows: three shall be elected from among members of Chesterfield County Council and three are appointed by Chesterfield County Council. Because the Corporation exclusively benefits the County, the Corporation's financial information is blended with that of the County in these basic financial statements. Separate financial statement information for the Corporation is included in individual columns throughout the financial statements. The Corporation does not issue separate financial statements.

The County's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

**Basis of Presentation**

Financial statements for governments like that of Chesterfield County are presented from two perspectives, the government-wide perspective and the fund perspective.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Net position is calculated based on information on all the County's assets, deferred outflows/inflows of resources, and liabilities, including capital assets and long-term debt. For the most part, the effect of inter-fund activity, if any, has been removed from these statements. In these statements, governmental activities, which are normally supported by taxes and intergovernmental revenues, are distinguished from any business-type activities in which the government may be engaged and which rely on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses, including depreciation of capital assets, are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items which are not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental and fiduciary funds, groupings of accounts used to control resources that have been segregated for specific activities or objectives. Major individual governmental funds are reported as separate columns in the fund financial statements. The governmental fund balance sheet includes a reconciliation of the total fund balance for all governmental funds to total net position of governmental activities reported in the government-wide statement of net position. In addition, the governmental statement of revenues, expenditures, and changes in fund balances also includes a reconciliation of the changes in fund balances of the governmental funds to the government-wide statement of activities.



CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The funds of the reporting entity are described below:

***Governmental Funds***

The following governmental funds are included in these financial statements:

*General Fund* - The general fund is the government's primary operating fund and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in other funds.

*Special Revenue Funds* – Special revenue funds are used to account and report the proceeds for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

*Debt Service Funds* – The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal and interest.

*Capital Projects Funds* – Capital project funds are used to account for the resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities. The Industrial Spec Building Construction Fund and the Capital Projects Fund - Public Facilities Corporation have been classified as major funds.

***Fiduciary Funds*** (not included in the government-wide statements)

*Agency Funds* – Agency funds account for assets held by the County as an agent for other governmental units and courts in accordance with the Acts of the General Assembly of South Carolina. The County's only category of fiduciary funds is agency funds for education, clerk of court, magistrates, and property taxes.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Revenues, Exchange, and Nonexchange Transactions***

In the government-wide financial statements, revenue is recognized when earned. Property taxes are recognized when levied. By referendum the County has adopted the provisions of State statutes which allow the collection of a one-percent sales tax on essentially all consumer goods sold at retail in the County. In addition, as a "small" county, Chesterfield County shares a portion of the one-percent sales tax collected in the "larger" counties which have elected to participate. The State collects the revenue and distributes it monthly to the County. By ordinance, the County has decreed that all monies received will be used to reduce *ad valorem* taxes. Revenue is recognized when credits are applied to the taxpayers' property tax bills. Sales tax revenue received in advance of these credit applications is deferred and held in an agency fund until earned. At June 30, 2019, the amount deferred was \$443,724.

Property taxes on licensed motor vehicles are collected on a monthly basis in the month in which individual motor vehicle licenses are renewed and revenue is recognized as collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Service and fee revenue is recognized as it is earned. In governmental funds, the recognition of property tax revenue not collected within sixty days is deferred since they are not available to finance current activities. Grants from other governments are recognized when qualifying expenditures are incurred. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

Property taxes on real and personal property, other than licensed motor vehicles, are levied on July 1 based on the assessed value of property lists on the previous January 1. Assessed values are an approximation of market value. Periodic revaluation of all real property is made in accordance with state statutes. Property taxes are due January 15, after which penalties accrue. At March 15, delinquent costs accrue and uncollected taxes are assigned into execution for collection.

***Unearned Revenue***

The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, resources received that are "intended to finance" a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

***Expenditures/Expenses***

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

***Cash and Investments***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the primary government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its political subdivisions, (3) savings and loan associations if their deposits are insured by an agency of the federal government, (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) held by a third party, and (5) the State Treasurer's Investment Pool.

Investments are stated at fair value, which approximates costs.

CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Cash and Investments – Continued***

The County Treasurer collects, receives, and holds funds belonging to the County (internal) and to external entities (e.g., other governments). Internal and external funds are not commingled. For the purposes of these financial statements the cash and investments belonging to the County funds are reported as cash and investments on the statements of net position and governmental fund balance sheets. The funds belonging to external entities are reported in an agency fund.

***Receivables and Payables***

Property tax receivables are shown net of all allowance for uncollectibles. The County reserves all property taxes that did not arise from the latest tax levy year. For collection purposes, taxes receivable are written off at the end of ten years in accordance with South Carolina law. All other levies are recognized as revenue on the government-wide financial statements, while all those not collected within sixty days are deferred on the governmental funds statements. The uncollectible reserve at June 30, 2019, was \$564,428.

Outstanding balances between funds are reported as “due to/from other funds”.

All other receivables are reported at amounts management expects to collect and are considered delinquent when not collected within one year. All delinquent receivables are reserved.

***Capital Assets***

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects that are constructed.

In accordance with U.S. generally accepted accounting principles, the County has elected to implement only prospective reporting of infrastructure assets. Accordingly, only infrastructures acquired or constructed after June 30, 2003, are included in capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: infrastructure assets-50 years; buildings-20 to 50 years; improvements-5 to 50 years; equipment-5 to 15 years.

***Deferred Outflows/Inflows of Resources***

In addition to assets and liabilities, the statement of financial position includes separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The County has deferred outflows/inflows of resources related to unearned revenue, pensions and other post-employment benefits.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Pension Plans***

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of South Carolina Retirement Systems (SCRS) and additions to/deductions from the SCRS' fiduciary net position have been determined on the accrual basis of accounting, are reported by the SCRS in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments of the plan are reported at fair value.

***Compensated Absences***

The County permits employees to accumulate earned but unused vacation (up to thirty days) and sick pay benefits (up to ninety days). There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service from the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for that amount is reported in the governmental funds only if they have matured and are material.

***Long - Term Debt***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond issue premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

***Fund Equity***

The governmental fund financial statements present fund balances based on classifications that compose a hierarchy that is based primarily on the extent the County is bound to honor constraints on a specific purpose for which amounts in the respective governmental funds can be spent. The following classifications are used in the governmental fund financial statements.

*Nonspendable* - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The County has classified assets held for resale as being nonspendable because they are not expected to be converted to cash within the next current year.

*Restricted* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Assigned* - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

*Unassigned* - amounts that are available for any purpose; positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balances of any governmental fund that cannot be eliminated by the offsetting assigned fund balance amounts.

CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Fund Equity - Continued***

County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by County Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, etc.).

Although the County has not formally adopted a fund balance spending policy, the County would typically use restricted funds balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these classified funds. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

***Net Position***

Net position represents the difference between assets, deferred outflows/inflows of resources and liabilities. Net position's net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

***Restricted Sources***

When both restricted and unrestricted resources are available, it is the County's policy to use restricted resources first, and then unrestricted resources as needed.

***Use of Estimates***

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgetary Information***

An annual budget is adopted on a basis consistent with U.S. generally accepted accounting principles for the General Fund. Each year, all County departments submit requests for appropriations to the county finance director. After the department requests are submitted, the finance director prepares a draft budget. The proposed budget is presented to County Council for review and approval. County Council holds public hearings and adopts the budget no later than June 30. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the departmental level.

***Excess of Expenditures over Appropriations***

The following departments presented in the budgetary comparison schedule had excess expenditures over appropriations:

Public Works	\$	520,933
Culture and Recreation	\$	51,766
Rescue & Fire Protection	\$	1,227
Grant Programs	\$	1,390,574
Legislative Oversight	\$	10,574

***Deficit Fund Balance***

The Lottery Fund had a deficit fund balance as of June 30, 2019 of \$5,782.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS**

***Cash***

The County does not have a formal deposit policy for custodial credit risk, which is the risk that in the event of bank failure, the deposits may not be returned to the County.

As of June 30, 2019, the County had the following deposits:

	Carrying Amount	Bank Balance
Demand deposits	\$ 25,708,045	\$ 25,115,357

Of the County's bank balance, \$1,216,109 was covered by FDIC insurance and \$20,345,170 was collateralized by securities held by the pledging bank's trust department or agent in the County's name. The remaining \$3,554,078 was not collateralized.

***Investments***

The County's investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

As of June 30, 2019, the County's investments consisted of the following:

Investment Type	Fair Value	Maturity	Rating
State Treasurer's Investment Pool	\$ 14,749,501	<60 days	Not Rated

The County Treasurer has invested, in accordance with their instructions, funds belonging to the Chesterfield County School District in the South Carolina State Treasurer's Investment Pool. The State Treasurer's Investment Pool is a 2a 7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Although the County does not have a formal investment policy, the County minimizes interest rate risk by investing operating funds in money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a nationally recognized statistical rating organization. The County's policy is to invest only in those securities allowed by state statute and that are highly rated. The State Treasurer's Investment Pool is not rated, but generally investments in the pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality, and in federal agency securities.

Custodial credit risk for an investment is the risk that, in the event in the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County minimizes credit risk by limiting investments to the types of securities allowed by state statute.

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or investor will be minimized. The County places no limits on the amount that may be invested in any one issuer.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS – CONTINUED**

Reconciliation of cash and investments to the Government-wide Statement of Net Position:

	Cash	Investments
Unrestricted - cash & investments	\$ 11,190,106	\$ 2,011,874
Agency fund - cash & investments	14,520,364	12,737,627
Less: Petty cash	(2,425)	-
	\$ 25,708,045	\$ 14,749,501

**NOTE 4 – CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,628,148	\$ -	\$ -	\$ 1,628,148
Construction in progress	3,593,389	1,018,455	-	4,611,844
	5,221,537	1,018,455	-	6,239,992
<i>Capital Assets Being Depreciated:</i>				
Buildings and improvements	17,184,711	410,000	-	17,594,711
Intangible assets	172,377	-	-	172,377
Vehicles/machinery/equipment	12,668,231	1,575,901	(1,000,585)	13,243,547
	30,025,319	1,985,901	(1,000,585)	31,010,635
<i>Accumulated Depreciation:</i>				
Buildings and improvements	(5,337,862)	(341,251)	-	(5,679,113)
Intangible assets	(172,377)	-	-	(172,377)
Vehicles/machinery/equipment	(8,524,478)	(1,099,017)	543,798	(9,079,697)
	(14,034,717)	(1,440,268)	543,798	(14,931,187)
Net Assets Being Depreciated	15,990,602	545,633	(456,787)	16,079,448
Net Capital Assets - Governmental Activities	\$21,212,139	\$ 1,564,088	\$ (456,787)	\$22,319,440

Depreciation was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
General government	\$ 186,494
Public safety	448,463
Public works	716,677
Culture and recreation	6,059
Judicial administration	48,360
Rescue and fire protection	34,215
	\$ 1,440,268

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 – SHORT-TERM DEBT**

Short-term debt activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Tax Anticipation Note	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
2018 GO Bond	-	625,000	625,000	-
	<u>\$ -</u>	<u>\$ 2,625,000</u>	<u>\$ 2,625,000</u>	<u>\$ -</u>

**NOTE 6 – LONG-TERM DEBT**

The following is a summary of long-term debt of the County for the year ended June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental Activities:</b>					
<b>Non-Current Liabilities</b>					
General obligation bonds	\$ 5,681,404	\$ -	\$ 523,844	\$ 5,157,560	\$ 536,351
Installment purchase revenue bonds	6,540,000	-	424,000	6,116,000	436,000
Capital leases	1,703,412	1,180,000	729,402	2,154,010	747,971
Compensated absences	562,361	-	39,722	522,639	-
Landfill post-closure costs	574,125	655,875	72,925	1,157,075	75,000
Total Non-Current Liabilities for Governmental Activities	<u>\$ 15,061,302</u>	<u>\$ 1,835,875</u>	<u>\$ 1,789,893</u>	<u>\$ 15,107,284</u>	<u>\$ 1,795,322</u>

**General Obligation Bonds**

The County issues general obligation bonds to provide funds for the acquisition, construction, and major improvement to its buildings and other facilities. The original amount of general obligation bonds issued in prior years was \$7,615,000. General obligation bonds are direct obligations and pledged with the full faith and credit of the County. These bonds are issued as multi-year (13 to 15 years) serial bonds with varying amounts of principal maturing each year. Payments on general obligation bonds are made by the debt service fund.

General obligations bonds currently outstanding are:

Description	Maturity Date	Interest Rates	Amounts
2013 GO Bond	05/01/2028	2.28%	\$5,061,000
2015 GO Bond	02/05/2023	2.22%	<u>96,560</u>
			<u>\$5,157,560</u>



**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 – LONG-TERM DEBT – CONTINUED**

***General Obligation Bonds - Continued***

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 536,351	\$ 117,534	\$ 653,885
2021	548,869	105,319	654,188
2022	561,399	92,819	654,218
2023	573,941	80,035	653,976
2024	561,000	66,964	627,964
2025-2029	2,376,000	136,958	2,512,958
	<u>\$ 5,157,560</u>	<u>\$ 599,629</u>	<u>\$ 5,757,189</u>

***Installment Purchase Revenue Bonds***

The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to an Installment Purchase and Use Agreement and evidence proportionate interest of owners in certain rental payments to be made by the County under the terms of a Base Lease Agreement between the County and the Corporation dated December 1, 2015. The County leased certain real property and conveyed the improvements to the Corporation so that the Corporation may finance the cost of renovating, remodeling and improving the County's main administration building, the County's main animal shelter and the County's main Judicial Center, to be sold to the County pursuant to a Purchase and Use Agreement dated December 1, 2015. The Purchase and Use Agreement, which will obligate the County to make annual installment payments of the purchase price to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds and amounts budgeted as reserves for the repair and replacement of the facilities. The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation by the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay the installment payments under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty. However, the County would forfeit possession of the facilities for the remainder of the lease term.

The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds are not a debt of the County; however, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

On December 18, 2015, the Corporation issued a \$3,000,000 Installment Purchase Revenue Bond, Series 2015, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.99%. On May 26, 2016, the Corporation issued a \$3,800,000 Installment Purchase Revenue Bond, Series 2016, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.67%. Both bonds were issued to finance the costs of County renovations, as listed above.

Arbitrage is the difference between the yield on the issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be relayed to the U.S. Treasury. The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds are subject to an arbitrage calculation. As of June 30, 2019, no arbitrage liability exists.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 – LONG-TERM DEBT – CONTINUED**

***Installment Purchase Revenue Bonds - Continued***

Annual debt service requirements for the Chesterfield County Public Facilities Corporation Installment Purchase Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 436,000	\$ 171,998	\$ 607,998
2021	448,000	159,742	607,742
2022	460,000	147,150	607,150
2023	473,000	127,970	600,970
2024	487,000	114,463	601,463
2025-2029	2,647,000	404,088	3,051,088
2030-2031	1,165,000	49,403	1,214,403
	<u>\$ 6,116,000</u>	<u>\$ 1,174,814</u>	<u>\$ 7,290,814</u>

***Capital Leases***

The County has entered into seven lease agreements as lessee to finance equipment, and collateralized by the equipment purchased. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Equipment	\$ 5,889,767
Less: Accumulated Depreciation	<u>(3,583,807)</u>
	<u>\$ 2,305,960</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year Ended June 30,	Amount
2020	\$ 795,501
2021	796,654
2022	298,250
2023	298,250
2024	<u>77,037</u>
Total minimum lease payments	2,265,692
Less, amount representing interest	<u>(111,682)</u>
Present value of minimum lease payments	<u>\$ 2,154,010</u>

Payments for lease purchase agreements are made by the general fund, special revenue funds, capital project funds, and debt service fund.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 – LONG-TERM DEBT – CONTINUED**

***Landfill Closure and Post Closure Care Costs***

The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for the inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system for a period of thirty years following the closing of the landfill. DHEC also requires that operators cover the landfill with a minimum cover of certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. The County's landfill has been closed and is considered to be at 100 percent of capacity. Remaining post-closure care costs are \$1,157,075 and the long-term liabilities in the statement of net position include that amount. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and/or applicable laws and regulations and are reported in the General Fund.

***Conduit Debt Obligations***

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Such debt exceeded \$6,000,000 when originally issued.

Payments on general obligation bonds are made by the debt service fund. Governmental activities lease purchase agreements are paid for by the general fund, special revenue funds, capital project funds, and debt service fund. Compensated absences are liquidated by the general fund.

**NOTE 7 – UNEARNED REVENUE**

At June 30, 2019, unearned revenue consisted of the following:

Victims of Crime Escrow	\$ 41,101
Deferred Tax Revenue	327,387
Sheriff's Drug Escrow	15,553
Other	<u>4,124</u>
	<u>\$ 388,165</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES**

***Due To/From Other Funds***

Interfund balances arise because the County Treasurer utilizes a cash pool to maximize earnings. Interfund balances at June 30, 2019, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Lottery Fund	\$ 5,782
General Fund	Debt Service Fund	50,029
Capital Reserve	General Fund	9,391,938
General Fund	Capital Projects Fund - PFC	3,476
Emergency Preparedness	General Fund	92,020
E-911 Fund	General Fund	77,018
Industrial Site Fund	General Fund	553,836
Capital Equipment Fund	General Fund	824,143
General Fund	Alligator Fire District	380
Cash Fire District	General Fund	71,097
Cheraw Fire District	General Fund	39,709
Cheraw Rescue Squad	General Fund	42,655
Chesterfield Fire District	General Fund	118,021
Chesterfield Rescue Squad	General Fund	29,632
Harris Creek Fire District	General Fund	2,119
Jefferson Rescue Squad	General Fund	876
McBee Rescue Squad	General Fund	28,832
Pageland Rescue Squad	General Fund	15,548
Patrick Rescue Squad	General Fund	5,944
		<u>\$11,353,055</u>

***Transfers To/From Other Funds***

The following transfers were made during the year:

Transfers To	Transfers From	Amount
General Fund	Capital Reserve	\$ 395,835
General Fund	Sheriff's Department	9,098
General Fund	Public Defender	200
Alligator Fire District	General Fund	15,000
Cash Fire District	General Fund	15,000
Harris Creek Fire District	General Fund	15,000
		<u>\$ 450,133</u>

CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9 – PENSION PLANS**

**South Carolina Retirement System**

***Plan Description***

The County, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR that is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

***Benefits Provided/Membership***

SCRS provides retirement and other benefits for employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit.

An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years.

Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes.

***Contributions***

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee or employer contributions provided in statute, or the rates last adopted by the Board are insufficient to maintain the amortization period set in statute, the Board shall increase employer contribution rates, as necessary.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Retirement System – Continued**

After June 30, 2027, if the most recent actuarial valuation of the SCRS for funding purposes shows a ratio of the actuarial value of the System's assets to the actuarial accrued liability of the System (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1<sup>st</sup>, may decrease the current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9%. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56%. The amortization period is scheduled to be reduced one year for each of the next 10 years to a 20 year amortization period. Required employee (both Class II and III) contribution rates for the year ended June 30, 2019 was 9%. The required employer contribution rate for the year ended June 30, 2019 was 14.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .15% of earnable compensation, if participating in the death benefit program.

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.0%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (9.41%) and an incidental death benefit contribution (.15%), if applicable, which is retained by SCRS.

Contributions to the Plan from the County were \$693,973.

***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

At June 30, 2019, the County reported a net pension liability of \$11,348,215 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2018, using generally accepted actuarial principles. The allocation of the County's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2018. Based upon this information, the County's proportion of the collective net pension liability is 0.050646%, a decrease of 0.000795% since June 30, 2017, the prior measurement date.

For the year ended June 30, 2019, the County recognized pension expense of \$1,301,778. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Retirement System – Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,485	\$ 66,781
Changes in assumptions	450,234	-
Net difference between projected and actual earnings on pension plan investments	180,266	-
Changes in proportion and differences between County contributions and proportionate share of contributions	369,454	210,666
County contributions subsequent to the measurement date	693,973	-
<b>Total</b>	<b>\$ 1,714,412</b>	<b>\$ 277,447</b>

Deferred outflows of resources of \$693,973 related to pensions resulted from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	\$ (687,885)
2021	(246,336)
2022	169,243
2023	21,986
	<b>\$ (742,992)</b>

**Actuarial Assumptions**

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2015.

The June 30, 2018 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2017 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Retirement System – Continued**

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	47%	3.38%
Real Assets	10%	0.42%
Opportunistic	13%	0.48%
Diversified Credit	18%	0.65%
Conservative Fixed Income	12%	0.10%
Total Expected Real Return	<u>100%</u>	<u>5.03%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>7.28%</u>

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the collective net pension liability	\$ 14,500,912	\$ 11,348,215	\$ 9,094,339



**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Retirement System – Continued**

***Pension Plan Fiduciary Net Position***

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2018 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2018. The additional information is publically available on PEBA's Retirement Benefits' website at [www.peba.sc.gov](http://www.peba.sc.gov).

**South Carolina Police Officers Retirement System**

***Plan Description***

The County, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

***Benefits Provided/Membership***

PORS provides retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws.

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Police Officers Retirement System – Continued**

***Contributions***

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee or employer contributions provided in statute, or the rates last adopted by the Board, are insufficient to maintain the amortization period set in statute, the Board shall increase employer contribution rates, as necessary.

After June 30, 2027, if the most recent actuarial valuation of the PORS for funding purposes shows a ratio of the actuarial value of the System's assets to the actuarial accrued liability of the System (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1<sup>st</sup>, may decrease the current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 14.75%. The employer contribution rates will continue to increase annually by 1% through July 1, 2022. The legislation's ultimate scheduled employer rate is 21.24%. The amortization period is scheduled to be reduced one year for each of the next 10 years to a 20 year amortization period. Employees and employers (both Class II and III) are required to contribute 9.75% and 16.84%, respectively, of earnable compensation for the year ended June 30, 2019. Employers also contribute an additional .20% of earnable compensation for the accidental death program and an additional .20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the County were \$516,602.

***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

At June 30, 2019, the County reported a net pension liability of \$6,518,167 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2018, using generally accepted actuarial principles. The allocation of the County's proportional share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2018. Based upon this information, the County's proportion of the collective net pension liability is 0.230036%, a decrease of 0.002484% since June 30, 2017, the prior measurement date.

For the year ended June 30, 2019, the County recognized pension expense of \$895,390. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Police Officers Retirement System – Continued**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 200,835	\$ -
Changes in assumptions	429,775	-
Net difference between projected and actual earnings on pension plan investments	130,347	-
Changes in proportion and differences between County contributions and proportionate share of contributions	103,987	154,423
County contributions subsequent to the measurement date	516,602	-
Total	<u>\$ 1,381,546</u>	<u>\$ 154,423</u>

Deferred outflows of resources of \$516,602 related to pensions resulted from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	\$ (431,509)
2021	(251,111)
2022	(24,213)
2023	(3,688)
	<u>\$ (710,521)</u>

**Actuarial Assumptions**

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2015.

The June 30, 2018 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2017 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Police Officers Retirement System – Continued**

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems’ mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 30 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected-returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	47%	3.38%
Real Assets	10%	0.42%
Opportunistic	13%	0.48%
Diversified Credit	18%	0.65%
Conservative Fixed Income	12%	0.10%
Total Expected Real Return	<u>100%</u>	<u>5.03%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u><u>7.28%</u></u>

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the County’s proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the collective net pension liability	\$ 8,787,304	\$ 6,518,167	\$ 4,659,554

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 – PENSION PLANS – CONTINUED**

**South Carolina Police Officers Retirement System – Continued**

***Pension Plan Fiduciary Net Position***

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2018 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2018. The additional information is publically available through PEBA's Retirement Benefits' website at [www.peba.sc.gov](http://www.peba.sc.gov).

Reconciliation of pension-related items to the Government-wide Statement of Net Position:

	SCRS	PORS	Total
Net pension liability	\$ 11,348,215	\$ 6,518,167	\$ 17,866,382
Deferred outflows related to pensions	\$ 1,714,412	\$ 1,381,546	\$ 3,095,958
Deferred inflows related to pensions	\$ 277,447	\$ 154,423	\$ 431,870

**NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS**

***Plan Description***

Chesterfield County maintains a single-employer defined benefit plan to provide certain post-retirement healthcare benefits, in accordance with County ordinances, to all employees hired before July 1, 2009, that retire from service with at least ten years of service. Employees must meet one or more of the SCRS eligibility requirements, such as age, length of service, and hire date. Benefits are effective at the date of retirement or when the employee is eligible for retirement benefits. The County does not issue separate audited financial statements for this plan.

***Benefits Provided/Funding Policy***

The County currently pays 100% of employer's share of premiums towards eligible retirees' health insurance premiums to the State of South Carolina Insurance Benefits Program. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis through an annual appropriation. For the year ended June 30, 2019, the County paid \$315,076 to provide these benefits to eligible retirees. Membership in the plan as of June 30, 2018, the date of the last actuarial valuation was:

Inactive plan members or beneficiaries receiving benefits	62
Active plan members	254
Total plan members	316

***Total OPEB Liability***

The County's total OPEB liability of \$11,598,717 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2018.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement date, unless otherwise specified:

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED**

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	3.62%, as of June 30, 2018
Inflation:	2.25%
Salary Increases:	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Healthcare Costs Trends:	6.40% decreasing to an ultimate rate of 4.15% over 15 yrs; ultimate trend rate includes a 0.15% adjustment for the exise tax
Retirees' Share of Benefit	7.00% to 30.00% of projected health insurance premiums
Related Costs:	based on coverage and whether under or over the age of 65

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2018.

Mortality rates were based on the 2016 Public Retirees of South Carolina Mortality Table for Males and Females with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study used for the valuations of the SCRS. The experience report on the SCRS was most recently issued as of July 1, 2015, and are required to be completed at least once in each five-year period by S.C. state statute.

***Changes in the Total OPEB Liability***

Balance as of June 30, 2018	\$ 13,183,353
Changes During the Year:	
Service Cost	326,995
Interest on Total OPEB Liabiltiy	469,540
Difference between expected and actual experience of the Total OPEB Liability	(1,862,714)
Changes of Assumptions	(203,381)
Benefit Payments	<u>(315,076)</u>
Balance as of June 30, 2019	<u>\$ 11,598,717</u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1% lower (2.62%) or 1% higher (4.62%) than the current discount rate:

	1% Decrease 2.62%	Current Discount Rate Assumption 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 13,452,205	\$ 11,598,717	\$ 10,092,798

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED**

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rates of 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Trend Rate
Total OPEB Liability	\$ 9,831,828	\$ 11,598,717	\$ 13,839,407

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2019, the County recognized OPEB expense of \$357,812. At June 30, 2019, the County's contributions subsequent to the measurement date of \$273,451 are reported as deferred outflows of resources, and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. The County reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,723	\$ 1,620,769
Changes in assumptions	-	1,148,265
County contributions subsequent to the measurement date	273,451	-
Total	\$ 280,174	\$ 2,769,034

**NOTE 11 – TAX ABATEMENTS**

The County enters into property tax abatement agreements with local businesses under Title 4, Chapter 12 and Title 12, Chapter 44 of the Code of Laws of South Carolina of 1976, as amended (the "Act"). Under the Act, localities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended June 30, 2019, the County abated property taxes totaling \$4,371,883 under this law, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An ad valorem property tax abatement to Schaeffler Group USA, Inc. for investing at least \$65 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2019, the total abated taxes amounted to \$1,270,239.
- An ad valorem property tax abatement to Conbraco Industries, Inc. for investing at least \$5 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2019, the total abated taxes amounted to \$459,118, of which \$5,832 was abated under the SSRC program.

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – TAX ABATEMENTS – CONTINUED**

- An ad valorem property tax abatement to Wal Mart Stores, Inc. for investing at least \$45 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2019, the total abated taxes amounted to \$797,817.
- An ad valorem property tax abatement to Nestle Waters North America, Inc. for investing at least \$45 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2019, the total abated taxes amounted to \$676,771, of which \$452,821 was abated under the SSRC program.

**NOTE 12 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

***Grants***

Amounts received or receivable from grant programs are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

***Litigation***

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2019, County Council authorized the following transactions:

- A \$2,000,000 Tax Anticipation Note, with an interest rate of 2.24% and a maturity date of March 16, 2020.
- A \$625,000 General Obligation Bond, with an interest rate of 2.35%, and a maturity date of March 2, 2020.

Management has evaluated subsequent events through November 18, 2019, the date on which the financial statements were available to be issued.





## SCHEDULE 1

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 8,606,271	\$ 8,606,271	\$ 9,167,714	\$ 561,443
Local option sales tax	2,955,000	2,955,000	2,884,051	(70,949)
Fees and fines	325,715	325,715	318,852	(6,863)
Licenses and permits	1,770,000	1,770,000	1,844,864	74,864
Intergovernmental	3,249,516	3,235,377	4,867,908	1,632,531
Charges for services	1,194,472	1,194,472	1,439,047	244,575
Investment earnings	-	-	93,479	93,479
Miscellaneous	200,800	200,800	310,191	109,391
Fire department dues	643,216	643,216	683,470	40,254
Grants	43,455	43,455	185,573	142,118
Contributions	15,000	15,000	12,029	(2,971)
<b>Total Revenues</b>	<b>19,003,445</b>	<b>18,989,306</b>	<b>21,807,178</b>	<b>2,817,872</b>
<b>Expenditures</b>				
<b>General Government</b>				
Register of deeds	167,561	167,561	146,667	20,894
Voter registration	224,445	224,445	200,990	23,455
County administrator	518,722	521,166	526,813	(5,647)
Assessor	419,555	419,555	347,836	71,719
Auditor	245,221	232,651	223,109	9,542
Treasurer / delinquent tax collector	526,852	537,104	510,696	26,408
Building codes	266,038	266,038	250,455	15,583
Public buildings	1,119,586	1,119,586	1,050,140	69,446
Data processing	203,296	203,296	189,164	14,132
	<b>3,691,276</b>	<b>3,691,402</b>	<b>3,445,870</b>	<b>245,532</b>
<b>Public Safety</b>				
Victim's advocate	66,339	66,339	64,412	1,927
Sheriff	3,012,219	3,011,858	3,078,781	(66,923)
Detention center	1,798,995	1,715,556	1,719,334	(3,778)
Coroner	138,490	138,490	159,533	(21,043)
Ambulance	1,498,176	1,498,176	1,498,176	-
School resource officers	358,472	358,472	364,148	(5,676)
Town of McBee officers	115,000	115,000	104,456	10,544
Civil processors	21,855	21,855	21,121	734
Jefferson law enforcement	115,000	115,000	109,034	5,966
Telecommunicators	666,793	666,793	598,229	68,564
Animal shelter	440,048	440,048	554,670	(114,622)
Emergency preparedness	210,886	210,886	189,868	21,018
	<b>8,442,273</b>	<b>8,358,473</b>	<b>8,461,762</b>	<b>(103,289)</b>
<b>Public Works</b>				
Road department	1,858,881	1,858,881	2,293,872	(434,991)
Landfill	489,369	489,369	575,311	(85,942)
	<b>2,348,250</b>	<b>2,348,250</b>	<b>2,869,183</b>	<b>(520,933)</b>

SCHEDULE 1 - CONTINUED

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Economic Development	1,097,201	1,097,202	740,450	356,752
Judicial Administration				
Clerk of court	363,096	363,096	345,739	17,357
Probate court	243,504	243,504	235,358	8,146
Magistrates	473,565	473,565	426,988	46,577
Family court	201,154	201,154	213,574	(12,420)
Solicitor	-	-	11,724	(11,724)
Public defender	-	-	58	(58)
	<u>1,281,319</u>	<u>1,281,319</u>	<u>1,233,441</u>	<u>47,878</u>
Culture and Recreation				
Veterans' affairs	100,437	100,437	94,912	5,525
Library	534,300	534,300	591,591	(57,291)
	<u>634,737</u>	<u>634,737</u>	<u>686,503</u>	<u>(51,766)</u>
Rescue and Fire Protection	783,216	783,216	784,443	(1,227)
Grant Programs				
Other agencies	1,969,939	1,969,939	3,207,071	(1,237,132)
Other pass through funds	138,455	138,455	291,897	(153,442)
	<u>2,108,394</u>	<u>2,108,394</u>	<u>3,498,968</u>	<u>(1,390,574)</u>
Legislative Oversight				
County council members and attorney	285,714	285,714	297,341	(11,627)
Delegation	40,420	40,420	39,367	1,053
	<u>326,134</u>	<u>326,134</u>	<u>336,708</u>	<u>(10,574)</u>
Total Expenditures	<u>20,712,800</u>	<u>20,629,127</u>	<u>22,057,328</u>	<u>(1,428,201)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,709,355)</u>	<u>(1,639,821)</u>	<u>(250,150)</u>	<u>1,389,671</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	10,000	10,000	2,107	(7,893)
Transfers in	1,699,355	1,699,355	405,133	(1,294,222)
Transfers out	-	-	(45,000)	(45,000)
	<u>1,709,355</u>	<u>1,709,355</u>	<u>362,240</u>	<u>(1,347,115)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 69,534</u>	112,090	<u>\$ 42,556</u>
Fund Balance - Beginning of Year			<u>1,893,452</u>	
Fund Balance - End of Year			<u>\$ 2,005,542</u>	

SCHEDULE 2

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE  
 OF THE COLLECTIVE NET PENSION LIABILITY  
 SOUTH CAROLINA RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS\*

	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.050646%	0.051441%	0.052231%	0.044875%	0.046159%
County's Proportionate Share of the Collective Net Pension Liability	\$ 11,348,215	\$ 11,580,196	\$ 11,156,465	\$ 8,510,760	\$ 7,947,050
County's Covered Payroll	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195	\$ 4,190,233
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	216.25%	222.91%	221.35%	199.45%	189.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.10%	53.30%	52.90%	57.00%	59.90%

**Note to Schedule:**  
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

\* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 3

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS  
 SOUTH CAROLINA RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Statutorily Required Contributions	\$ 693,973	\$ 659,986	\$ 600,542	\$ 557,449	\$ 458,627
Contributions in Relation to the Statutorily Required Contributions	693,973	659,986	600,542	557,449	458,627
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 5,120,639	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195
Contributions as a Percentage of Covered Payroll	13.55%	12.58%	11.56%	11.06%	10.75%

**Note to Schedule:**  
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

SCHEDULE 4

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE  
 OF THE COLLECTIVE NET PENSION LIABILITY  
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS\*

	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.230036%	0.232520%	0.241300%	0.235090%	0.218510%
County's Proportionate Share of the Collective Net Pension Liability	\$ 6,518,167	\$ 6,369,917	\$ 6,120,412	\$ 5,123,756	\$ 4,183,254
County's Covered Payroll	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805	\$ 2,628,525
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	204.64%	203.63%	199.66%	179.48%	159.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.70%	60.90%	60.40%	64.60%	67.50%

**Note to Schedule:**  
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.  
 \* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 6

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS  
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM  
 LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 516,602	\$ 485,642	\$ 445,455	\$ 421,197	\$ 390,557
Contributions in Relation to the Statutorially Required Contributions	516,602	485,642	445,455	421,197	390,557
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 3,180,025	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805
Contributions as a Percentage of Covered Payroll	16.25%	15.25%	14.24%	13.74%	13.68%

**Note to Schedule:**  
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

SCHEDULE 6

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 326,995	\$ 392,819
Interest on total OPEB liability	469,540	409,962
Changes in benefit terms	-	-
Effect of economic/demographic gains or (losses)	(1,862,714)	9,097
Effect of assumption changes or inputs	(203,381)	(1,314,397)
Benefit payments	<u>(315,076)</u>	<u>(314,999)</u>
Net Change in Total OPEB Liability	(1,584,636)	(817,518)
Total OPEB Liability - Beginning of Year	<u>13,183,353</u>	<u>14,000,871</u>
Total OPEB Liability - End of Year	<u>\$ 11,598,717</u>	<u>\$ 13,183,353</u>
Covered Payroll	\$ 7,952,315	\$ 7,229,129
Total OPEB Liability as a % of Covered Payroll	145.85%	182.36%

**Note to Schedule:**

There are no assets accumulated in a trust to pay the related benefits.

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not available yet.



**OTHER SUPPLEMENTARY INFORMATION**

CHESTERFIELD COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Public Defender	Emergency Preparedness	Lottery Fund	E-911 Fund	Sheriff's Department	Total Fire Districts & Rescue Squads	Total Special Revenue Funds	Industrial Site Fund	Capital Projects Fund-Public Facilities Corporation	Debt Service Fund	Total Nonmajor Governmental Funds
\$	-	-	-	\$ 145,467	\$ 169,950	-	\$ 315,417	\$ -	\$ 951,700	\$ 458,632	\$ 1,725,749
	-	-	-	-	-	25,893	25,893	-	-	68,966	94,659
	-	92,020	-	77,018	-	354,433	523,471	553,837	-	-	1,077,308
	-	-	-	151	-	-	151	-	-	-	151
\$	-	\$ 92,020	-	\$ 222,636	\$ 169,950	\$ 380,326	\$ 664,932	\$ 553,837	\$ 951,700	\$ 527,598	\$ 2,898,067
\$	-	250	-	1,573	-	7,095	8,918	-	19,339	-	28,257
	-	-	5,782	-	-	380	6,162	-	3,476	50,029	59,667
	-	250	5,782	1,573	-	7,475	15,080	-	22,815	50,029	87,924
	-	-	-	-	-	11,617	11,617	-	-	31,540	43,157
	-	-	-	-	-	11,617	11,617	-	-	31,540	43,157
	91,770	-	221,063	169,950	361,234	844,017	-	-	-	-	844,017
	-	-	-	-	-	-	553,837	-	-	-	553,837
	-	-	-	-	-	-	-	-	928,885	-	928,885
	-	-	-	-	-	-	-	-	-	445,029	445,029
	-	-	(5,782)	-	-	-	(5,782)	-	-	-	(5,782)
	91,770	-	(5,782)	221,063	169,950	361,234	838,235	553,837	928,885	445,029	2,766,986
\$	-	\$ 92,020	-	\$ 222,636	\$ 169,950	\$ 380,326	\$ 664,932	\$ 553,837	\$ 951,700	\$ 527,598	\$ 2,898,067

Assets and Deferred Outflows of Resources

Assets:  
Cash and cash equivalents  
Taxes receivable - net  
Due from other funds  
Other receivables

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:  
Accounts payable and accrued expenses  
Due to other funds

Deferred Inflows of Resources:  
Unearned revenue

Fund balances:  
Restricted  
Public safety  
Economic development  
Capital projects  
Assigned  
Debt service  
Unassigned

CHESTERFIELD COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Public Defender	Emergency Preparedness	Lottery Fund	E-911 Fund	Sheriff's Department	Total Fire Districts & Rescue Squads	Total Special Revenue Funds	Industrial Site Fund	Capital Projects Fund-Public Facilities Corporation	Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,382	\$ 773,382	\$ -	\$ -	\$ 1,517,583	\$ 2,290,965	
Fees and fines	-	-	-	-	3,245	-	3,245	-	-	-	3,245	
Intergovernmental	701,511	-	21,739	-	-	-	723,250	220,000	-	-	943,250	
Charges for services	-	-	-	371,763	-	-	371,763	-	-	-	371,763	
Investment earnings	-	-	-	1,313	122	-	1,435	-	-	4,551	5,986	
Miscellaneous	3,195	-	-	-	145,169	318	148,882	-	-	82	148,764	
Contributions	-	57,973	-	-	-	-	57,973	-	-	-	57,973	
	704,706	57,973	21,739	373,078	148,536	773,700	2,079,730	220,000	-	1,522,216	3,821,946	
<b>Expenditures</b>												
Current:												
General government	-	-	26,431	-	-	-	26,431	-	-	-	26,431	
Public safety	-	61,023	-	399,204	46,498	-	506,725	-	-	-	506,725	
Judicial administration	1,316,116	-	-	-	-	-	1,316,116	-	-	-	1,316,116	
Rescue and fire protection	-	-	-	-	-	778,365	778,365	-	-	-	778,365	
Legislative oversight	-	-	-	-	-	-	-	-	1,076,819	-	1,076,819	
Debt Service:												
Principal	-	-	-	-	-	22,844	22,844	-	-	925,000	947,844	
Interest and other charges	-	-	-	-	-	2,651	2,651	-	-	318,865	321,516	
	1,316,116	61,023	26,431	399,204	46,498	803,860	2,653,132	-	1,076,819	1,243,865	4,973,816	
Excess (Deficiency) of Revenues Over Expenditures	(611,410)	(3,050)	(4,692)	(26,128)	102,038	(30,160)	(573,402)	220,000	(1,076,819)	278,351	(1,151,870)	
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	-	-	-	45,000	45,000	-	-	-	45,000	
Transfers out	(200)	-	-	-	(9,098)	-	(9,298)	-	-	-	(9,298)	
	(200)	-	-	-	(9,098)	45,000	35,702	-	-	-	35,702	
Net Change in Fund Balances	(611,610)	(3,050)	(4,692)	(26,128)	92,940	14,840	(537,700)	220,000	(1,076,819)	278,351	(1,116,168)	
Fund Balances - Beginning of Year	611,610	94,820	(1,090)	247,191	77,010	346,394	1,375,935	333,837	2,005,704	187,678	3,883,154	
Fund Balances - End of Year	\$ -	\$ 91,770	\$ (5,782)	\$ 221,063	\$ 169,950	\$ 361,234	\$ 838,235	\$ 553,837	\$ 928,885	\$ 446,029	\$ 2,766,986	

CHESTERFIELD COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
FIRE DISTRICTS & RESCUE SQUADS  
JUNE 30, 2019

Alligator Fire District	Cash Fire District	Cheraw Fire District	Cheraw Fire District	Chesterfield Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	Pageland Rescue Squad	Patrick Rescue Squad	Total
\$ 10,390	\$ 2,589	\$ 11,968	\$ 23	\$ 923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,893
-	71,097	39,709	118,021	2,119	42,655	29,632	876	28,832	15,548	5,944	354,433		
<u>\$ 10,390</u>	<u>\$ 73,686</u>	<u>\$ 51,677</u>	<u>\$ 118,044</u>	<u>\$ 3,042</u>	<u>\$ 42,655</u>	<u>\$ 29,632</u>	<u>\$ 876</u>	<u>\$ 28,832</u>	<u>\$ 15,548</u>	<u>\$ 5,944</u>	<u>\$ 380,326</u>		
\$ 7,074	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,095
380	-	-	-	-	-	-	-	-	-	-	-	-	380
<u>7,454</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,475</u>
5,966	1,302	3,994	-	355	-	-	-	-	-	-	-	-	11,617
<u>5,966</u>	<u>1,302</u>	<u>3,994</u>	<u>-</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,617</u>
(3,030)	72,363	47,683	118,044	2,687	42,655	29,632	876	28,832	15,548	5,944	361,234		
<u>(3,030)</u>	<u>72,363</u>	<u>47,683</u>	<u>118,044</u>	<u>2,687</u>	<u>42,655</u>	<u>29,632</u>	<u>876</u>	<u>28,832</u>	<u>15,548</u>	<u>5,944</u>	<u>361,234</u>		
\$ 10,390	\$ 73,686	\$ 51,677	\$ 118,044	\$ 3,042	\$ 42,655	\$ 29,632	\$ 876	\$ 28,832	\$ 15,548	\$ 5,944	\$ 380,326		

Assets and Deferred Outflows of Resources  
 Assets:  
 Taxes receivable - net  
 Due from other funds

Liabilities, Deferred Inflows of Resources, and Fund Balances  
 Liabilities:  
 Accounts payable and accrued expenses  
 Due to other funds

Deferred Inflows of Resources:  
 Unearned revenue

Fund Balances:  
 Restricted  
 Public safety

**CHESTERFIELD COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FIRE DISTRICTS & RESCUE SQUADS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Alligator Fire District	Cash Fire District	Cheraw Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	PageLand Rescue Squad	Patrick Rescue Squad	Total
<b>Revenues</b>												
Property taxes	\$ 187,715	\$ 42,231	\$ 260,145	\$ 115,092	\$ 28,194	\$ 23,334	\$ 23,335	\$ 23,334	\$ 23,334	\$ 23,334	\$ 23,334	\$ 773,382
Miscellaneous	-	318	-	-	-	-	-	-	-	-	-	318
	<u>187,715</u>	<u>42,549</u>	<u>260,145</u>	<u>115,092</u>	<u>28,194</u>	<u>23,334</u>	<u>23,335</u>	<u>23,334</u>	<u>23,334</u>	<u>23,334</u>	<u>23,334</u>	<u>773,700</u>
<b>Expenditures</b>												
Current:												
Rescue and fire protection	208,573	58,006	236,481	102,575	56,525	20,791	8,537	22,944	16,951	20,936	26,046	778,365
Debt Service:												
Principal	-	22,844	-	-	-	-	-	-	-	-	-	22,844
Interest and other charges	-	2,651	-	-	-	-	-	-	-	-	-	2,651
	<u>208,573</u>	<u>83,501</u>	<u>236,481</u>	<u>102,575</u>	<u>56,525</u>	<u>20,791</u>	<u>8,537</u>	<u>22,944</u>	<u>16,951</u>	<u>20,936</u>	<u>26,046</u>	<u>803,860</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(20,858)</u>	<u>(40,952)</u>	<u>23,664</u>	<u>12,517</u>	<u>(28,331)</u>	<u>2,543</u>	<u>14,798</u>	<u>390</u>	<u>6,383</u>	<u>2,398</u>	<u>(2,712)</u>	<u>(30,160)</u>
<b>Other Financing Sources (Uses)</b>												
Transfers in	15,000	15,000	-	-	15,000	-	-	-	-	-	-	45,000
	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
<b>Net Change in Fund Balances</b>	<u>(5,858)</u>	<u>(25,952)</u>	<u>23,664</u>	<u>12,517</u>	<u>(13,331)</u>	<u>2,543</u>	<u>14,798</u>	<u>390</u>	<u>6,383</u>	<u>2,398</u>	<u>(2,712)</u>	<u>14,840</u>
<b>Fund Balances - Beginning of Year</b>	2,828	98,315	24,019	105,527	16,018	40,112	14,834	486	22,449	13,150	8,656	346,394
<b>Fund Balances - End of Year</b>	<u>\$ (3,030)</u>	<u>\$ 72,363</u>	<u>\$ 47,683</u>	<u>\$ 118,044</u>	<u>\$ 2,687</u>	<u>\$ 42,655</u>	<u>\$ 29,632</u>	<u>\$ 876</u>	<u>\$ 28,832</u>	<u>\$ 15,548</u>	<u>\$ 5,944</u>	<u>\$ 361,234</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
JUNE 30, 2019**

	<u>Clerk of Court</u>	<u>Magistrates</u>	<u>Treasurer's Office</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 392,426	\$ 117,779	\$ 14,010,159	\$ 14,520,364
Investments	-	-	12,737,627	12,737,627
	<u>\$ 392,426</u>	<u>\$ 117,779</u>	<u>\$ 26,747,786</u>	<u>\$ 27,257,991</u>
<b>Liabilities</b>				
Due to other governments	-	-	\$ 25,148,928	\$ 25,148,928
Due to taxpayers	-	-	443,724	443,724
Due to other claimants	392,426	117,779	1,155,134	1,665,339
	<u>\$ 392,426</u>	<u>\$ 117,779</u>	<u>\$ 26,747,786</u>	<u>\$ 27,257,991</u>

**SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF SOUTH CAROLINA**

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNDING SOURCE  
LIBRARY  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Source of Funds</b>	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Balance</b>
<b>Local Sources:</b>				
County or tax appropriation	\$ -	\$ 446,884	\$ 446,884	\$ -
Fees, fines, and other local revenue	38,657	73,931	60,176	52,412
Gifts & Donations	-	-	-	-
Other Local	-	-	-	-
	<u>38,657</u>	<u>520,815</u>	<u>507,060</u>	<u>52,412</u>
<b>State Sources:</b>				
* State aid	-	82,081	82,081	-
* Education Lottery	(1,090)	21,739	26,431	(5,782)
* Other state	-	2,450	2,450	-
	<u>(1,090)</u>	<u>106,270</u>	<u>110,962</u>	<u>(5,782)</u>
<b>Total All Sources of Funds</b>	<u>\$ 37,567</u>	<u>\$ 627,085</u>	<u>\$ 618,022</u>	<u>\$ 46,630</u>

\* Indicates funds administered through the South Carolina State Library.



SCHEDULE 13

**CHESTERFIELD COUNTY, SOUTH CAROLINA  
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Total Collections</b>	<b>Amount Retained by County Treasurer</b>	<b>Amount Remitted to State Treasurer</b>	<b>Amount Allocated to Victims' Services</b>
<b>Clerk of Court:</b>				
Fines and fees	\$ 344,796	\$ 158,650	\$ 186,146	\$ -
Assessments	1,892	-	1,223	669
Surcharges	14,632	-	5,298	9,334
	<u>\$ 361,320</u>	<u>\$ 158,650</u>	<u>\$ 192,667</u>	<u>\$ 10,003</u>
<b>Magistrates Court:</b>				
Fines and fees	\$ 214,841	\$ 211,823	\$ 3,018	\$ -
Assessments	179,840	-	148,814	31,026
Surcharges	76,112	-	70,432	5,680
	<u>\$ 470,793</u>	<u>\$ 211,823</u>	<u>\$ 222,264</u>	<u>\$ 36,706</u>
<b>Victim's Advocate</b>				
Amount reserved for victim's advocate, beginning of year				\$ 41,795
Plus: Amount allocated to victim's advocate				46,709
Less: Amounts spent for victim's advocate				
from assessments and surcharges:				
Salaries and benefits			\$ 56,032	
Operating expenditures			8,386	
Unearned revenue			<u>(13)</u>	
				(64,405)
Amount reserved for victim's advocate, end of year				<u>\$ 24,099</u>

